



Kornit  
Digital  
bonding  
matters

# KORNIT DIGITAL

(NASDAQ: KRNT)

BECOMING THE OPERATING SYSTEM FOR  
SUSTAINABLE ON-DEMAND FASHION<sup>x</sup>

# SAFE HARBOR

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other U.S. securities laws. Forward-looking statements are characterized by the use of forward-looking terminology such as “will,” “expects,” “anticipates,” “continue,” “believes,” “should,” “intended,” “guidance,” “preliminary,” “future,” “planned,” or other words. These forward-looking statements include, but are not limited to, statements relating to the Company’s objectives, plans and strategies, statements of preliminary or projected results of operations or of financial condition and all statements that address activities, events, or developments that the Company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The Company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things: the duration and severity of current adverse macro-economic headwinds being caused by supply-chain delays, inflationary pressures, and rising interest rates, which have been impacting, and may continue to impact, in an adverse manner, the Company’s operations, financial position and cash flows, in part due to the adverse impact on the Company’s customers and suppliers; the Company’s degree of success in developing, introducing and selling new or improved products and product enhancements including specifically the Company’s Poly Pro and Presto products; the extent of the Company’s ability to consummate sales to large accounts with multi-system delivery plans; the degree of the Company’s ability to fill orders for its systems; the extent of the Company’s ability to increase sales of its systems, ink and consumables; the extent of the Company’s ability to leverage its global infrastructure build-out; the development of the market for digital textile printing; the availability of alternative ink; competition; sales concentration; changes to the Company’s relationships with suppliers; the extent of the Company’s success in marketing; and those additional factors referred to under “Risk Factors” in Item 3.D of the Company’s Annual Report on Form 20-F for the year ended December 31, 2022, filed with the SEC on March 30, 2023. Any forward-looking statements in this press release are made as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Please see the reconciliation table that appears among the financial tables in our earnings release being issued today, which earnings release is attached as Exhibit 99.1 to our report of foreign private issuer on Form 6-K being furnished to the SEC today, which reconciliation table is incorporated by reference in this presentation.

This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data.

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# KORNIT AT A GLANCE

Transforming the fashion, apparel and home decor industries

## FACTS & FIGURES

Founded 2002

**899** Employees with a global presence\*  
\*As of March 31, 2023

Approximately  
**24% CAGR** Top line growth  
2012 - 2019

Approximately  
**15% CAGR** Top line growth  
2019 - 2022

Attractive profitable recurring revenue  
business model

## CUTTING EDGE PROPRIETARY TECHNOLOGY



Operating system for on-demand  
sustainable fashion<sup>x</sup>

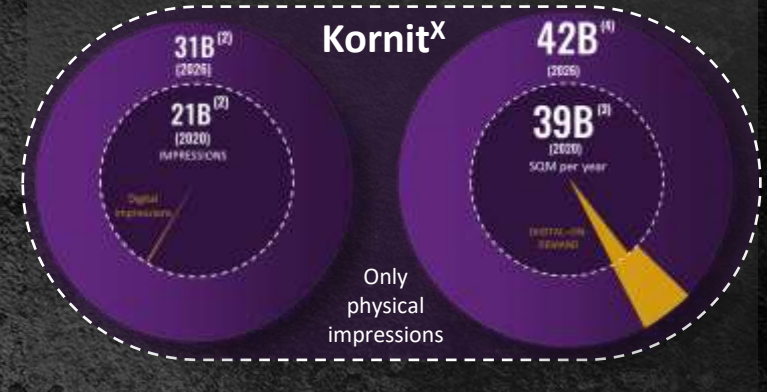


*Fashion<sup>x</sup> - Includes fashion, apparel, home décor, and other textile-based forms of self-expression*

## OPPORTUNITY

Decorated  
Apparel

Roll-to-Roll



Mega  
trends



Fueling adoption of on-demand  
sustainable textile manufacturing

Significant customer base of over **1,200<sup>(1)</sup>**

Selected customers:



(1) As of 12/31/2021; Including active Custom-Gateway customers

(2) Source: Company estimates for apparel impressions (including for example impressions on t-shirts, hoodies, pants, bags, etc.) 21B represents estimated annualized run rate of impressions as of 2020. 31B represents projected annualized run rate of impressions for year-end 2026.

(3) Source: 2018 Digital Textile Industry Review. 39B represents estimated total volume in SQM of printed fabric output as of 2018.

(4) Source: Company estimates. 42B represents projected total volume in SQM of printed fabric output.

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August 11, 2021

## Gen Z Leads Changing Consumer Shopping Habits



SELF  
EXPRESSION

E-COM KEEPS  
ACCELERATING

RETAIL  
MELTDOWN

SUSTAINABILITY

Traditional supply chain and  
production methods are  
**BROKEN**

**DISFUNCTIONAL  
SUPPLY CHAIN IS A  
MAJOR PAIN POINT**  
for brands and retailers

CLEARANCE  
CLEARANCE  
CLEARANCE  
CLEARANCE

**30%<sup>(1)</sup>**  
EXCESS PRODUCTION



**144 TRILLION LITERS**  
of water are wasted annually

*Equals entire population's  
drinking needs for more than  
16 years*



# THE ANSWER IS

# ON-DEMAND SUSTAINABLE PROXIMITY PRODUCTION





# OUR MISSION BECOME THE OPERATING SYSTEM FOR ON-DEMAND SUSTAINABLE FASHION<sup>x</sup>

## CONNECTING THE VIRTUAL TO THE PHYSICAL WORLD

*Fashion<sup>x</sup> - Includes fashion, apparel, home décor, and other textile-based forms of self-expression*



# DEVELOP AND DEPLOY THE OPERATING SYSTEM

*For on-demand  
sustainable fashion<sup>x</sup>*

OUR STRATEGY

ESTABLISH KORNI<sup>x</sup>

DIGITIZE PRODUCTION

BRANDS



TRADITIONAL AND  
ONLINE RETAILERS



LICENSORS



ECOM PLATFORMS &  
MARKETPLACES



DESIGNERS AND  
INFLUENCERS



INVENTORY  
MANAGEMENT



MEDIA  
HANDLING



PRINT



ADDITIONAL  
DECORATION  
METHODS



CUT-MAKE-TRIM



# DIGITIZE PRODUCTION

ATLAS MAX  
WITH XD<sub>i</sub> TECHNOLOGY

*Available*



ATLAS MAX POLY  
WITH XD<sub>i</sub> TECHNOLOGY

*Available*



PRESTO MAX  
WITH XD<sub>i</sub> TECHNOLOGY

*Available*





# FUTURE INNOVATIONS

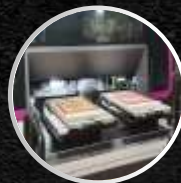
## EFFICIENCY AND QUALITY



Automation



Quest

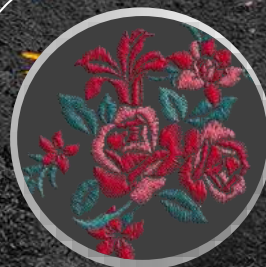


Adjustable Pallets



Smart Curing

## APPLICATIONS



XDi



Voxel8





# KORNIT APOLLO - AN INDUSTRY-DISRUPTIVE DTG PLATFORM



- Most comprehensive digital single-step system targeting screen-print mass production markets
- Perfect solution for nearshore mid-runs mass production
- Best-in-class MAX quality – lowest total cost of ownership
- Uses smart curing from recently completed Tesoma acquisition
- Formal unveiling June 2023 - ITMA Global Tradeshow in Milan, Italy



# FASHION<sup>x</sup> ON-DEMAND



*Fashion<sup>x</sup> - Includes fashion, apparel, home décor, and other textile-based forms of self-expression*



# FASHION<sup>x</sup> ON-DEMAND

CONNECTING THE VIRTUAL AND  
PHYSICAL WORLDS, IN THE FAST-  
APPROACHING ERAS OF WEB 3.0  
AND THE METAVERSE

KFW  KORNIT  
FASHION WEEK  
TEL AVIV  
2022  
APRIL

KFW  KORNIT  
FASHION WEEK  
LONDON  
2022  
MAY



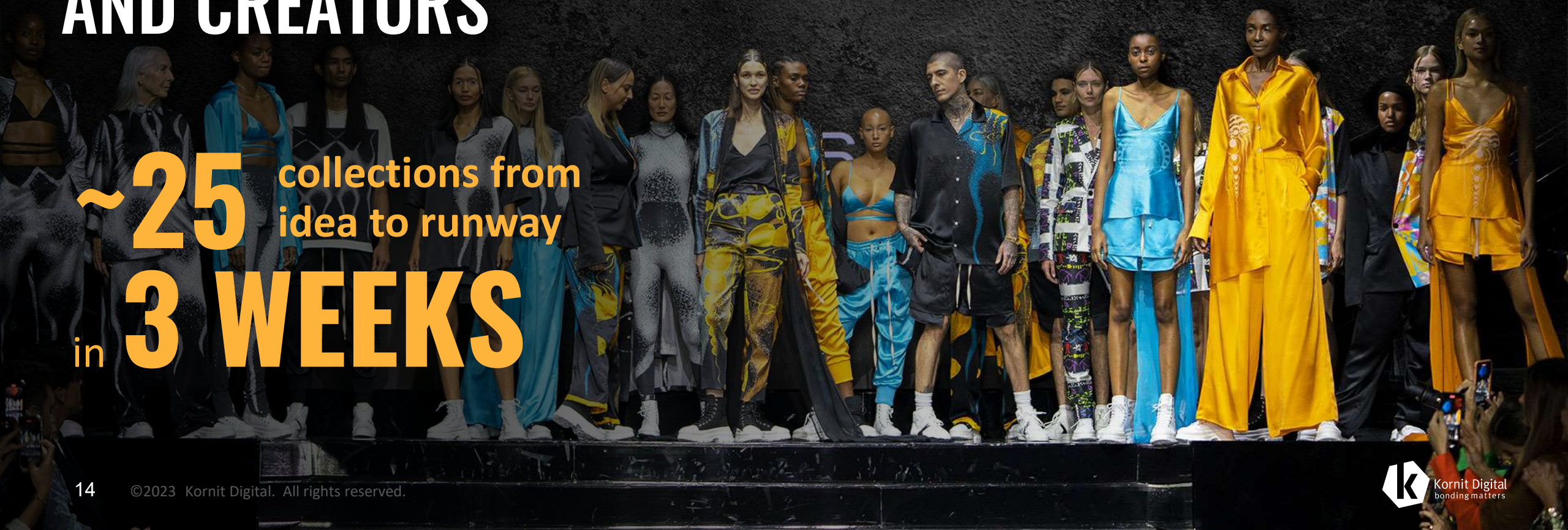


# LONG SUPPLY CHAINS ARE A MASSIVE PAIN POINT FOR DESIGNERS AND CREATORS

HOW LONG DOES IT TAKE TO LAUNCH A COLLECTION?

So how long does all this actually take? I recommend at least a year from idea to the start of production for a first collection. If this business is not your full-time job or if you have many styles or a highly technical product, it can take even longer – 18 months or even two years is not uncommon. When you are considering starting your first collection, keep this timeline in

~25 collections from  
idea to runway  
in 3 WEEKS





# DEVELOP AND DEPLOY THE OPERATING SYSTEM

*For on-demand  
sustainable fashion<sup>x</sup>*

OUR STRATEGY

ESTABLISH KORNIT<sup>x</sup>

DIGITIZE PRODUCTION

BRANDS



TRADITIONAL AND  
ONLINE RETAILERS



LICENSORS



ECOM PLATFORMS &  
MARKETPLACES



DESIGNERS AND  
INFLUENCERS



INVENTORY  
MANAGEMENT



MEDIA  
HANDLING



PRINT



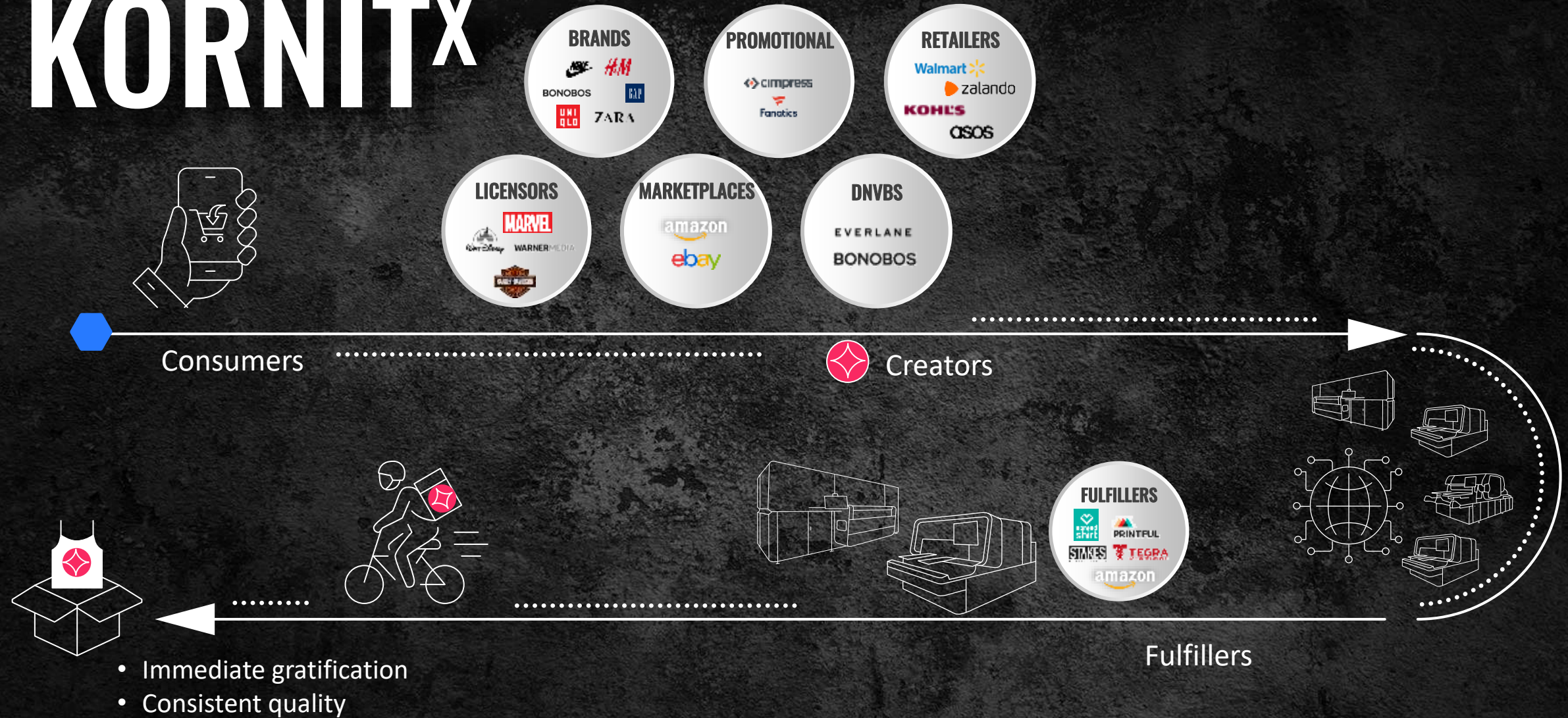
ADDITIONAL  
DECORATION  
METHODS



CUT-MAKE-TRIM



# KORNITX





# KORNITX



Consumers



Creators

## EMPOWERING THE FRONT-END



Design

Display  
2D/3D

Online  
Store

Order  
Mgmt.

Virtual  
Catalog

Virtual  
Fitting

Fulfiller

- Immediate gratification
- Consistent quality



# KORNITX

## NETWORK



Consumer



Proximity  
production

- Immediate gratification
- Consistent quality



Quality  
consistency  
(QUEST)



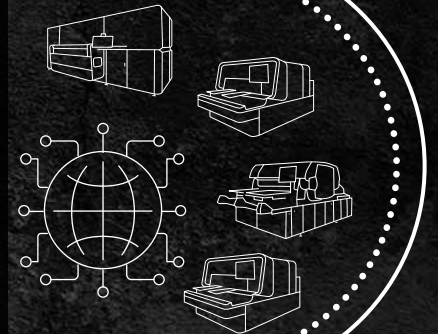
Brand  
integrity



Variety



Production  
flexibility and  
scale





# KORNIT<sup>x</sup>

## MANAGING PRODUCTION





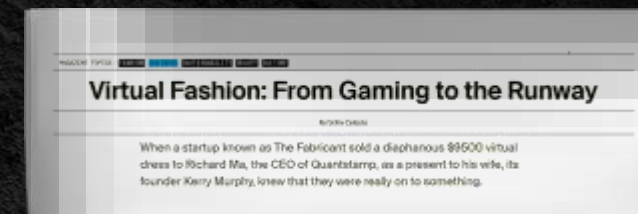
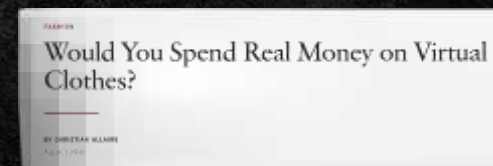
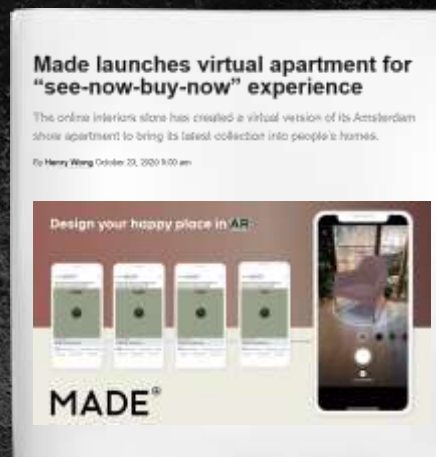


# VIRTUAL IS THE NEW REALITY”

<https://nowfashion.com/virtual-fashion-from-gaming-to-the-runway-28800>  
<https://www.designweek.co.uk/issues/19-25-october-2020/made-virtual-apartment/>  
<https://www.vogue.com/article/tribute-virtual-clothes-digital-fashion>

<https://www.businessoffashion.com/articles/technology/facebooks-vision-for-fashion-in-the-metaverse>  
<https://www.tiktok.com/@happykelli?lang=en>  
[https://www.voguebusiness.com/technology/influencers-are-wearing-digital-versions-of-physical-clothes-now?gclid=CjwKCAjwz5IMBhAEIwAMEAwGIXzCbPTRUkzrgstcKhHotgZz9QN\\_A3r8LITWffaQkCyc\\_v4RNq8xoC1D4QAvD\\_BwE](https://www.voguebusiness.com/technology/influencers-are-wearing-digital-versions-of-physical-clothes-now?gclid=CjwKCAjwz5IMBhAEIwAMEAwGIXzCbPTRUkzrgstcKhHotgZz9QN_A3r8LITWffaQkCyc_v4RNq8xoC1D4QAvD_BwE)

<https://hypebeast.com/2022/11/nike-joins-metaverse-sparks-rumors-virtual-trademark-application-filed-announcement>  
<https://www.epicgames.com/fortnite/en-US/news/high-digital-fashion-drops-into-fortnite-with-balenciaga>  
<https://www.voguebusiness.com/technology/inside-gucci-and-roblox-s-new-virtual-world>



## BRANDS ARE RESPONDING FAST

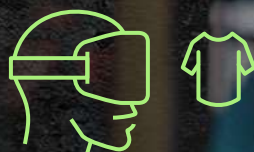


## SOCIAL MEDIA IS LEADING THE REVOLUTION



# KORNITX - A NEW FASHIONX EXPERIENCE

*Virtual collections  
and Metaverse*



*Personal  
concierge*



*Personal  
digital  
wardrobe*





# KORNIT<sup>x</sup>: EXPANDING THE PLATFORM

## VIRTUAL FRONT-END



- Virtual creation
- Content mgmt. and marketplaces
- Data analytics

## NETWORK



- Scale/volume
- Decisioning
- Routing
- AI

## PRODUCTION FLOOR



- Production solutions
- Integration
- Automation
- Optimization
- Image processing
- Productivity software





# COMMITMENT TO SUSTAINABILITY AND COMMUNITY

IT'S ABOUT GIVING PEOPLE THE  
STYLE, TREND, COMFORT, AND  
QUALITY THEY DESIRE, WHEN THEY  
DESIRE IT, IN SUSTAINABLE AND  
ETHICAL MEANS OF PRODUCTION



# SECOND-ANNUAL IMPACT REPORT ISSUED IN Q3'22





# WHY KORNIT



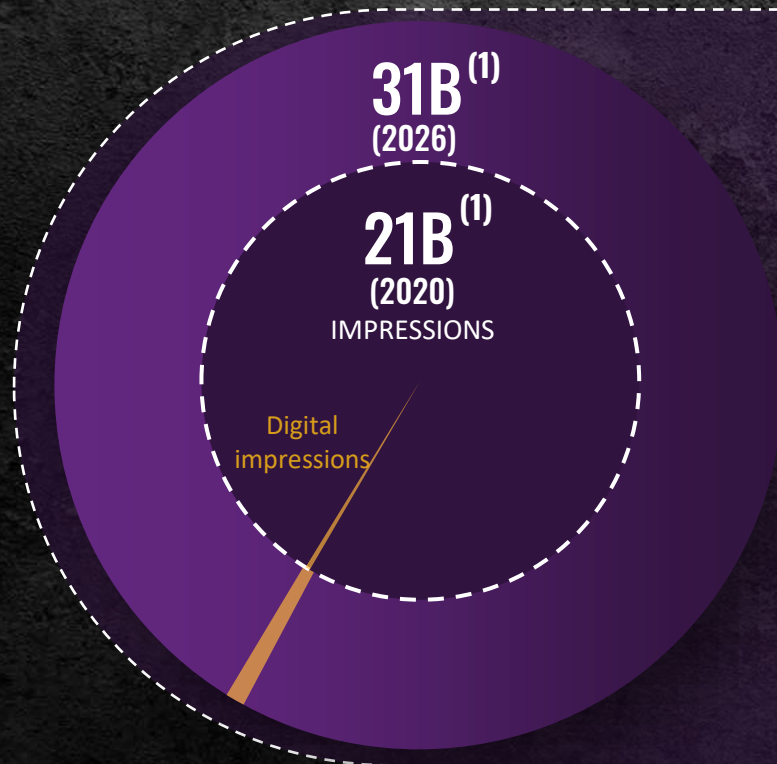


# KORNIT'S HUGE MARKET OPPORTUNITY

## DTG

TAM of 21B impressions

19B items\*

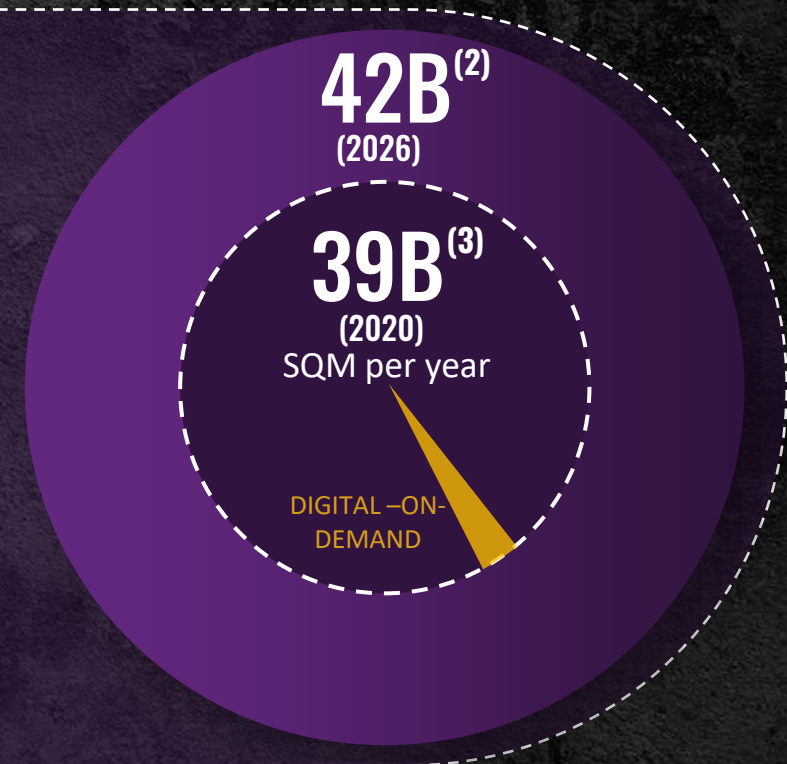


**Kornit<sup>x</sup>**  
Only physical  
impressions

## DTF

TAM of 39B sqm

~4 Trillion impressions\*\*



(1) Source: Company estimates for apparel impressions (including for example impressions on t-shirts, hoodies, pants, bags, etc.) 21B represents estimated annualized run rate of impressions for year-end 2020. 31B represents projected annualized run rate of impressions for year-end 2026. Including embroidery TAM expansion

\* Assuming 1.1 impressions per item

2) Source: Company estimates. 39B represents estimated total volume in SQM of printed fabric output as of 2020. WTIN estimate for market size and CAGR: <https://www.wtin.com/article/2018/february/260218/2017-digital-textile-industry-review/>

3) Source: Company estimates. 42B represents projected total volume in SQM of printed fabric output in 2026. . WTIN estimate for market size and CAGR: <https://www.wtin.com/article/2018/february/260218/2017-digital-textile-industry-review/>

\*\* Assuming avg. impression of 100 cm<sup>2</sup> (10 by 10 cm)



# MARKET DISRUPTOR

CREATING  
THE NEW  
FASHION<sup>x</sup>  
EXPERIENCE

Best positioned to connect  
the virtual to the physical  
world

Delivering cutting-edge  
technology & innovation



## 2023 KEY FOCUS AREAS

- ① RETURNING TO PROFITABILITY
- ② SUCCESSFULLY LAUNCHING APOLLO
- ③ SCALING KORNI<sup>x</sup>



**Kornit<sup>x</sup>**

*Fashion<sup>x</sup> - Includes fashion, apparel, home décor, and other textile-based forms of self-expression*



# BUILDING A LEADING FASHTECH BRAND

## From Printer to the Catwalk: Kornit Fashion Week Shows Off New Printing Technology

Decerry Donato - 12:51 PM | November 05, 2021



## WORN OUT L.A.: KORNIT FASHION WEEK, GUCCI IN HOLLYWOOD, COSTUME COUTURE AND MORE

LINA LECARO • NOVEMBER 9, 2021



LA WEEKLY

## Pat Cleveland, 71-Year-Old Model and Halston Reflects on First L.A. Runway Show

"All these different works of art are human beings, individual and very valuable. So let's keep the beauty in expressing ourselves, no matter what size or shape," said Cleveland for designer Julia Clancey.

BY INGRID SCHMIDT NOVEMBER 4, 2021 3:03PM

HOLLYWOOD

FASHION / FASHION FEATURES

## Kornit Fashion Week Coming to L.A. With Ungaro, Asher Levine, ThreeAsFour, More

After launching in Tel Aviv in March 2020, Kornit Fashion Week is coming to downtown L.A. Nov. 2 through 5 with 22 shows.

BY BOON MOORE NOVEMBER 1, 2021, 3:04PM

WWD

## Jaime King shows off her model looks in one-shoulder black gown at Naot Footwear show in Los Angeles

By PAUL CHAVEZ FOR DAILYMMAIL.COM

PUBLISHED: 01:49 GMT, 5 November 2021 | UPDATED: 03:30 GMT, 5 November 2021

MailOnline

## Pat Cleveland Walks First L.A. Runway for Julia Clancey

"It's like a surprise I've been waiting to happen in my life because my Halston was!" Cleveland said.

BY BOON MOORE NOVEMBER 4, 2021 3:03PM

## Ungaro, Guvanch and More to Be Highlighted in Kornit Fashion Week Inspired by 'Diversity of the Human Race'

From Nov. 2 to Nov. 5, an "inclusive lineup of diverse models" will be walking down the runway in L.A. wearing sustainable designs

By Melody Chiu | October 20, 2021 04:58 PM

People



# STRONG TEAM



**RONEN SAMUEL**  
CEO



**LAURI HANOVER**  
CFO



**KOBI MANN**  
CTO



**JECKA GLASMAN**  
CCO



**DANIEL GAZIT**  
Chief Product Officer



**AYELET ORYAN  
GODARD**  
CHRO



**OMER KULKA**  
Chief of Innovation



**ILAN GIVON**  
EVP Operations



**BENZION SENDER**  
EVP R&D



**AMIR SHAKED MANDEL**  
EVP Corporate  
Development



**AARON YANELLI**  
Kornit<sup>x</sup> President



**ILAN ELAD**  
KDAM President



**TOMER ARTZI**  
KDAP President



**CHRIS GOVIER**  
KDEU President



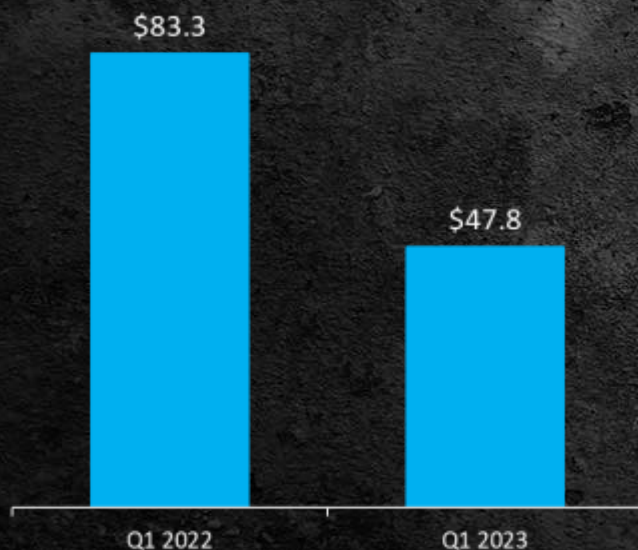
# FINANCIAL HIGHLIGHTS





# 1Q'23 FINANCIAL UPDATE AND RESULTS

## Revenues (\$M)



### 1Q'23 Revenue Drivers:

- ① Services revenues posted very strong year-over-year growth
- ② Consumables revenues were essentially in line with the prior year period
- ③ Systems revenues drove meaningful year-over-year decline, as expected

## Gross Margin

### GAAP

27.4% of revenue

### NON-GAAP

30.2% of revenue

## Operating Income

### GAAP

Operating loss of (\$24.1M)

### NON-GAAP

Operating loss of (\$18.0M)

### Adjusted EBITDA

Loss of (\$14.7M)

## Net Income

### GAAP

Net loss of (\$18.9M) or (\$0.38) per basic share

### NON-GAAP

Net loss of (\$13.4M) or (\$0.27) per basic share

## Balance Sheet

**Cash, deposits, and marketable securities**

~\$624M or  
~\$12.55 per share



# GAAP TO NON-GAAP RECONCILIATION

**KORNIT DIGITAL LTD.  
AND ITS SUBSIDIARIES**  
**RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA**  
(U.S. dollars in thousands, except share and per share data)

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	
GAAP Revenues	<u>\$ 47,778</u>	<u>\$ 83,293</u>
GAAP Net Loss	(18,931)	(5,197)
Taxes on income	194	91
Financial income	(5,404)	(1,799)
Share-based compensation	5,245	5,298
Intangible assets amortization	611	419
Acquisition related expenses	-	512
Restructuring expenses	295	-
Non-GAAP Operating Loss	<u>(17,990)</u>	<u>(676)</u>
Depreciation	3,262	2,161
Adjusted EBITDA	<u>\$ (14,728)</u>	<u>\$ 1,485</u>





# OUR VISION

CREATE A **BETTER WORLD** WHERE  
EVERYBODY CAN **BOND**, **DESIGN**  
AND **EXPRESS THEIR IDENTITIES**,  
ONE IMPRESSION AT A TIME



# THANKS



Kornit  
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